

DEPARTMENT OF COMMUNITY AFFAIRS REPORT OF REGISTERED AUTHORITY FINANCES

INSTRUCTIONS

<p>*****Please do not attempt to complete this report before***** carefully reading these instructions.</p>
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These instructions are written for a wide range of users. For many, because of its similarity to conventional financial statements, the report format will seem fairly straightforward. Other users, with primary expertise in other areas, will find the instructions extremely important in accurately completing this report. However, all users should carefully read these instructions, and refer to them as needed to ensure that the report is complete and accurate.

Provided as an integral part of these instructions are definitions of all key terms used in the report. Please refer to these definitions to help ensure the accuracy of your report.

General/Background Information

State law requires authorities that are authorized to issue bonds under the Constitution and laws of this state (O.C.G.A. 36-81-8) to submit to the Department of Community Affairs (DCA) an annual report of revenues, expenditures, assets, and debts (this requirement is in addition to the authority registration requirements). From these reports, DCA generates a consolidated, statewide report that is intended to provide useful comparative financial information to assist local taxpayers and policy-makers in better understanding and evaluating local government service delivery and operations. Previously, this report was entitled the "Independent Authority Bonded Indebtedness Form." DCA has renamed the report to more appropriately describe the financial information required, and to more closely identify the authorities required to submit this report.

The new reporting format significantly improves upon the previous format in a number of ways. In addition to providing much more useful financial data that will better facilitate comparative financial analyses, the report will be much easier to complete for most authorities. First, and perhaps most importantly, the format looks much like conventional public sector financial statements that bookkeepers, accountants, and financial analysts are accustomed to seeing. Another important improvement is the virtual elimination of narratives, lists, and other supplemental data requirements. These supplemental requirements, often take more time to complete than the actual reporting form. In most instances, with the new format, once the actual reporting forms have been filled out, the report is complete (without any supplemental attachments).

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Another important change is that all authorities will be reporting based on their fiscal year end dates. Each authority will have up to 180 days from the end of their fiscal year to submit their report. Generally, those authorities that are audited will have their audited statements within 180 days of their fiscal year end, and will be able to lift most, if not all, the financial data directly from these audited statements. Note that while the reporting requirements under O.C.G.A. 36-81-8 do not require local authorities to have their financial activities audited, accountability of public sector entities is extremely important. To provide this accountability, DCA strongly encourages authorities engaging in significant financial activities for the benefit of the public to have an annual audit conducted by independent certified accountants.

Instructions

Please carefully read these instructions, and refer to them as necessary to ensure that the report is complete and accurate. ***Remember to reference the definitions often.***

Part I(a) – General Information

- Enter your authority's name in the "Authority Name" box exactly as it appears on your annual DCA Authority registration.
- Enter the name of the person responsible for completing the report and answering any follow-up questions in the "Report Preparer" box. In the block directly below it please enter the number at which the report preparer can be reached during regular business hours.
- If your authority is a component unit of a local government jurisdiction, please enter the name in the "Primary Government Name, If Applicable" box.
- Below the primary government line please indicate whether the information source for this report is audited or unaudited data. To the right of this section, please indicate the applicable fiscal year, and the month that your authority's fiscal year ends.

Part I(a) – Certification

The Chairperson's signature certifies that to the best of your (Chairperson) knowledge, the report is accurate, and that it fairly represents the financial activities and financial condition of your authority for the reporting period. Please enter titles and dates on the Director/Chairperson and Preparer lines.

Part II - Balance Sheet*

To accommodate numerous types of authorities, this section provides for the reporting of current and non-current account balances without regard to restricted assets, reserves, etc. Also, if your authority has multiple funds (such as a joint utility authority), these funds should be combined into a balancing set of statements for this report. Note that other than the specific schedules included in parts four, five, and six, there will be no supplementary

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information required unless an “Other” category reported in Part II exceeds 20% of the total for the asset/liability classifications in which the “Other” is reported.

The balance sheet accounts are standard (see definitions). However, to assist in understanding the relationship between the different sections in Part II, the blocks that make up the totals/subtotals are clearly indicated to the left of the total/subtotal boxes. Typical accounting systems should be capable of generating the information necessary to complete this part readily available.

If your authority is inactive or near inactive, there may be little to report in Part II. However, it will be necessary to account for increases or decreases net assets from one year to the next (if any) through Part III, Revenues, Expenditures, and Changes in Net Assets.

Part III: Revenues, Expenditures, and Changes in Net Assets*

As stated above, this report is designed to accommodate numerous types of authorities. Therefore, this part is kept as basic as possible. Financial activities are classified in relatively generic terms, while still capturing the key elements needed to provide useful comparative financial data among similar types of authorities.

Also as discussed above, whether your authority is active, inactive, or has only occasional financial activity, it will be necessary to account for any changes in net assets, reported each year in Part II through the use of this schedule. This is accomplished by requiring that this report be balanced. To assist in understanding the relationship between different sections, the blocks that make up the totals/subtotals are clearly indicated to the left of the total/subtotal boxes. Note that block 325 in Part III “Ending Net Assets” must equal the amount reported in block 228 in Part II “Net Assets.” DCA cannot accept reports that do not meet this requirement.

Authorities are not required to submit amended reports when errors are discovered in a prior year report. However, it will be necessary to account for such errors through disclosures in block 323 and/or block 324 “Prior Period Adjustments/changes.” If amounts reported in either of these blocks exceed 5% of total Ending Net Assets, please attach explanations/reconciliations so that we may determine the appropriate corrections for DCA’s database.

Part IV: Schedule of Bonds Payable*

The debt issue numbers are included on the form are for reference purposes only. This schedule provides a listing of outstanding bond issues. Note that bond issues not included as part of the Bonds Payable balances in Part I should not be reported in Part IV (see Part VI, Conduit Debt). The totals in blocks 405 and 406 (current balance and non-current balance) should equal the amounts reported in Part II for *Current Liabilities - Matured*

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bonds payable, and *Non-current Liabilities - Bonds payable* respectively (blocks 215 and 222).

The total beginning “Bonds Payable” (block 401) should equal the ending balance reported in block 404 from the prior year report.

The purpose of each issue should be described in the lower section of Part IV. The purposes of bond issues will vary significantly from one authority to another. Examples of purpose descriptions include, but are not limited to, financing the purchase of land and constructing a regional hospital, financing the purchase and renovation of a downtown office building to house the authority operations, financing the and construction of a solid waste management facility, etcetera.

Part V: Schedule of Capital Leases*

The lease numbers included on this form are for reference purposes only. Capital leases included in this schedule should only include those capital leases involving property and equipment leased by the authority, with the authority being legally obligated to make the lease payments. This would include leases for property used directly by the authority, or for property subleased to another entity (with the authority retaining responsibility for the lease payments to the original lessor).

The original lease dates and expiration dates should be stated in the lease agreements. The totals in blocks 501 and 502 (current balance and non-current balance) should equal the amounts reported in Part II for *Current Liabilities – Capital leases payable*, and *Non-current Liabilities – Capital leases payable* respectively (blocks 218 and 223).

The Description/Purpose of Capital Leases should be disclosed in the lower portion of the form. Examples of lease purposes include, but are not limited to, copier lease financing arrangements, lease financing of the authorities own administrative buildings, and the lease financing of a facility being sublet to private business.

Part VI: Conduit Debt

This section provides for the disclosure of debt issued by your authority that is not included in Part II of the Report of Registered Authority Finances. Conduit debt involves certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by your authority to provide capital financing for a specific project carried out by a specific independent third party beneficiary. A debt issuance meeting the criteria of conduit debt, would mean that, while the authority is the issuer, the authority’s liability for the debt extends only to resources provided by a lease, loan, or similar contractual arrangements with a third party beneficiary.

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Governmental accounting and financial reporting standards require that authorities report the aggregate amount of all conduit debt outstanding at the end of the fiscal year. However, for the purposes of this report, include only debt issuances closed after your authority's fiscal year ended 2002. **This means conduit debt issuances in fiscal year ended 2003 and all subsequent fiscal years must be disclosed in the report.**

Do not include debt in this section that is included in Part II of the Report of Registered Authority Finances. Additionally any lease, loan, or other contractual arrangement with a third party beneficiary, should not be included on the balance sheet of an authority's financial statements, and should not be included in Part II of this report (see GASB C65 for additional information regarding conduit debt arrangements).

In the far right column of Part VI of this report, please provide a brief description of the third party beneficiary contractual arrangements associated with each conduit debt issue reported. This should include the name of the third party beneficiary and the type of business/industry, the type of contractual arrangement (such as a lease, loan, sale, etc.) with the third party beneficiary, and a description of the public purpose/benefit provided or to be provided as a result of the conduit debt issuance.

** Note that 2003 is the first year reporting using this new format, which means that, for 2003 reporting, there are no prior year balances to reconcile. However, beginning in 2004, all prior year balance reconciliation requirements discussed in these instructions will apply. It is, therefore, extremely important to report accurately in 2003.*

**IF YOU ARE COMPLETING A HARD COPY OF THIS REPORT
PLEASE SUBMIT TO:**

**Georgia Department of Community Affairs
Attn: Office of Research
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231**